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June 3, 2003

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FOR IMMEDIATE RELEASE:

TRIO INDICTED IN MORTGAGE FRAUD SCHEME

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that CINDY HICKEY, 45, BRUCE McLAREN, 52, and DANNY R. KING , 37, all of Delaware County, Indiana, were indicted by a federal grand jury sitting in Indianapolis for one count of conspiracy to commit wire fraud, and 6 counts of wire fraud, following an investigation by the Federal Bureau of Investigation. The indictment alleges a mortgage fraud scheme.

The indictment alleges that from around 1998 to July 2001, CINDY HICKEY and BRUCE MCLAREN bought very low cost residential property in Muncie and sold the property a short time later—often just three to four weeks—at fraudulently inflated prices.

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They were able to sell the property for fraudulently inflated prices by selling them to buyers who had little or no assets, and thus had little to lose by agreeing to buy the property. HICKEY and MCLAREN provided mortgage lenders false information about the buyers assets in order to get the buyers to qualify for mortgages. DANNY KING was a real estate appraiser who provided numerous appraisals that corroborated the grossly inflated sales prices to mortgage lenders. The scheme involved approximately 25 properties. CINDY HICKEY, a licensed real estate agent and mortgage broker, found purchasers for the properties and crafted their mortgage applications to get them to qualify for mortgages. MCLAREN found and purchased the properties, and provided the downpayments to the purchasers in the guise of second mortgages. The second mortgages were invariably forgiven, or never collected. Eventually most of these properties were foreclosed upon and the purchasers evicted.

According to Assistant United States Attorney Winfield D. Ong, who is prosecuting the case for the government, each defendant faces a maximum possible prison sentence of 30 years and a maximum possible fine of \$1,000,000. An initial hearing will be scheduled before a U.S. Magistrate Judge in Indianapolis.

The indictment is an allegation only, and the defendants are presumed innocent unless and until proven guilty at trial or by guilty plea.

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